

Mastercard to bKash fund transfer now possible



Mashiur Rahman, economic affairs adviser to the prime minister; Kamal Quadir, CEO of bKash; Kamal Hossain, managing director of Southeast Bank; and Syed Mohammad Kamal, country manager for Mastercard Bangladesh, attend the launch of a fund transfer service at a Dhaka hotel yesterday.

STAR BUSINESS REPORT

The country's largest mobile financial service provider bKash yesterday launched a new service enabling customers to transfer

funds instantly from Mastercard-branded debit, credit and prepaid cards issued by banks to bKash wallets round-the-clock.

Mastercard, bKash and Southeast Bank jointly intro-

duced the service at a Dhaka hotel. The bank's Mastercard payment gateway solution is connected to the bKash app to enable the transfer.

The transfer limit is Tk 15,000

per day, the same as bKash cash-in limits.

To move funds, customers need to click an "add money" option on the bKash app, select "card to bKash" option and incorporate the bKash account number and the card details.

A one-time password will be sent to the registered mobile number, entering which the transfer can be completed.

Very soon it will also be possible to transfer funds from bKash wallets to bank cards, said Kamal Hossain, managing director of Southeast Bank.

This service will make wallet loading remarkably easier and convenient for Mastercard users and bKash customers, said official of both entities.

This is a significant step towards the journey for a cashless society, said Kamal Quadir, CEO of bKash.

Mashiur Rahman, economic affairs adviser to the prime minister, inaugurated the service while Syed Mohammad Kamal, country manager of Mastercard Bangladesh, and other senior officials were also present.

Auto woes drive dip in German industrial output

REUTERS, Berlin

Plunging car production drove an unexpected drop in German industrial output in January, as the engine room of Europe's largest economy stuttered on trade tensions and unease about Brexit.

A global slowdown, tariff disputes sparked by US President Donald Trump's 'America First' policies and a potentially chaotic British departure from the European Union threaten to bring a decade-long expansion in export-reliant Germany to an end. Its economy only narrowly avoided recession last year.

The same factors are impacting the rest of the EU, and Monday's data added weight to a dovish policy shift by the European Central Bank last week as safe-haven bonds rose.

"Industrial production is hard data and it is really cementing the impression that the European economy is slowing down," said Mizuho rates strategist Antoine Bouvet.

"It is lending credibility to the view that the slowdown is not temporary."

German business daily Handelsblatt said on Monday the federal government had cut its in-house GDP growth outlook to 0.8 percent for 2019, the second reduction in less than two months.

Industrial output dropped 0.8 percent, well below market expectations for a rise of 0.5 percent, Germany's Statistics Office said.

The figure for December was sharply revised up, however, to a 0.8 percent increase from a previously reported 0.4 percent drop, and the euro recovered

ground after a brief dip.

Automobile production fell by 9.2 percent on the month in January, separate data from the Economy Ministry showed.

It blamed special factors such as strikes at suppliers and a switch to new brands for the weak performance, though German carmakers are also at the sharp end of a sectoral dip driven by a slowdown in China, a plunge in demand for diesel vehicles and costly investments in electric as well as self-driving cars.

"The headwinds from abroad are hitting the German economy particularly hard," Sophia Krietenbrink from the DIHK Chambers of Industry and Commerce said.

Seasonally adjusted exports were flat month-on-month in January - compared to a forecast 0.5 percent contraction - while imports rose 1.5 percent, the data showed. That meant the trade surplus narrowed to 18.5 billion euros (\$20.80 billion).

The unexpectedly weak data suggests the German economy is likely to post only meager growth in the first quarter after it barely avoided a recession - defined as two consecutive quarters of contraction - in the second half of last year.

Citing a finance ministry document, Handelsblatt said Berlin had cut its growth forecast internally due to a weakening world economy, risks from escalating global trade conflicts, and political factors including Brexit and Italy's stretched finances.

The German government had already cut 2019 growth expectations in January to 1 percent from 1.8 percent.

Govt devises ways to boost VAT

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Sorensen, chief of a visiting mission providing technical assistance to the NBR's VAT reform programme, had met Kamal yesterday, the finance ministry said in a statement.

Informing the IMF of the plan to appoint the EFD-related manpower, Kamal said use of the EFDs would be made mandatory so as to prevent the misappropriation of VAT.

The process to purchase the EFDs is currently ongoing and essential goods will not carry any VAT, he added.

The mission informed the minister that they would provide all-out assistance to the automation of revenue collection by the NBR.

In the meeting with economists, the finance minister informed of his

new plan about social safety net programmes. He said the government wanted to gradually reduce social safety net allocations in exchange for creating at least one job for every house.

The reason behind the plan was that overlapping plagued a huge amount of money the government allocates for the safety net programmes. The minister said their main focus in the upcoming budget would be job creation, poverty alleviation and providing all urban facilities to every village.

"Our prime minister is committed to providing all urban facilities to every village, and we will start the programme in the upcoming budget. Electricity has already reached every village. Now, we will focus on build-

ing infrastructure," he said.

The upcoming budget will have some new things: it will be written using simple language in short so that everyone could get what it meant, he added. "But the allocation of the budget will not be lower," he assured.

Many economists of Policy Research Institute, Economic Research Group, Bangladesh Economic Association and the Bangladesh Institute of Development Studies were present at the meeting.

Fazle Kabir, governor of Bangladesh Bank; Abdur Rouf Talukder, finance secretary; Md Mosharraf Hossain Bhuiyan, chairman of the NBR, and Asadul Islam, banking division secretary, were also present.



Md Ali Noor, director general of Central Procurement Technical Unit (CPTU), speaks at a workshop on "Government-Tenders' Forum" in Sylhet yesterday.

Set aside fund for young entrepreneurs

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"We will create job as much we can. At the same time we will have to create entrepreneurship" he said.

The editor said funding is a must to promote youth entrepreneurship. Banks can have a special window to come up with funds for the youth.

At the same time, the government can have a special fund to create youth and women entrepreneurs, Anam said.

He urged authorities concerned to think in an innovative way on how to bankroll the youth.

Bangladesh has a large number of entrepreneurs but the failure rate is also high, said Feisal Hussain, team leader of the Business Finance for the Poor in Bangladesh, a facility that helps to create economic opportunities for small businesses. "In the rural areas, more than 90 percent entrepreneurs fail in their business for not having business development plan."

He said there is also huge funding gap between urban and rural entrepreneurs. "So, public and private partnership is needed to bankroll the young entrepreneurs."

Lack of access to finance is still a big challenge for the women entrepreneurs, said Shahamin S Zaman, CEO of the CSR Centre. "There are many policies but challenges are not addressed," she said, calling on the government to take gender-focused policies to create more women leaders.

The EO is working to increase the number of women in the organisation, said Bubu Andres, global chair of the initiative. "It is because a woman can help a woman in an organisation."

Many NGOs are working to bankroll small entrepreneurs in the rural areas but their success rate is very low, said Tahsin Aman, vice chairman of Aman Group of Companies. "It is because NGOs do not have any business plan."

Speakers at the event blamed the education system for the rising unemployment in the country, saying the existing system is not relevant to the job market. Investment is needed to create young entrepreneurs, they suggested.

Chemical market thrives on apparel

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"If the garment export increases nearly 14 percent in a year, the purchase of local fabrics increases nearly 30 percent," he said.

The more the garment manufacturers purchase the local fabrics, the more chemicals are sold for washing and dyeing purposes, Ismail told The Daily Star.

Another important reason for the growth in chemical consumption is the rise of the denim industry in Bangladesh, he said, adding that denim fabrics require more chemicals for washing and dyeing compared to that needed by other fabrics.

Effluent treatment plants (ETPs) in the textile sector also require hundreds of tonnes of a wide variety of chemicals all the year round, industry insiders said.

It is now mandatory to set up ETPs in textile units for the protection of the ecosystem and maintain environmental balance.

It is estimated that textile chemical sales in local markets has been increasing by nearly 25 percent year-on-year as export of apparel items has been increasing and also for textile millers who sell garment items in local markets, he said.

Some of the major players operating in Bangladesh's textile chemical market are: Huntsman (Singapore) Pte Ltd, Archroma (Bangladesh) Ltd, Dystar (Singapore) Pte Ltd, Pulcra Chemicals Bangladesh Pvt Ltd, Matex Bangladesh Ltd, A3 Color Chem Ltd, Rudolf Bangladesh Ltd, Rossari Biotech Ltd, Auxichem International Ltd and RH Corporation.

Local textile millers use a lot of hydrogen peroxide as a bleaching agent to whiten the fabrics, said Mohammad Badrul Huda, president of the Textile Dyeing and Printing Industries Association.

Balayet Hossain, chairman of the standing committee on chemicals and industries at the Federation of Bangladesh Chambers of Commerce and Industry, cited another thriving sector fuelling the rising consumption of chemicals in Bangladesh: cottage industries.

These include industries that are making perfumes, dyeing a variety of substances for printing purposes and using colours in textile and fabrics, he said.

The import of textile dyes has been growing at a faster rate in the country as the dyeing process needs several kinds of chemicals, said Hossain, also a former general secretary of the Bangladesh Chemicals and Perfumery Merchants Association.

According to sources in Bangladesh Textile Mills Association, the country has around 450 spinning mills, 1,200 weaving mills and around 5,000 export-oriented dyeing factories.

There are several thousand small dyeing factories as well catering for local markets.

Sources in the Department of Environment, however, claimed that they have issued ETP installation permission to 1,376 textile factories.

Alibaba invests \$693m for stake in Chinese courier STO Express

REUTERS, Shanghai

Alibaba Group Holding Ltd will take a 14 percent stake in STO Express Co Ltd through a \$693 million deal, the e-commerce giant's fourth significant investment in a Chinese courier company.

Shares in STO Express shot up when trading opened and immediately hit the upper 10 percent limit on the Shenzhen Stock Exchange, according to Refinitiv data.

STO Express said in a statement on Monday its controlling shareholder planned to set up a new subsidiary that will own a 29.9 percent stake in the courier firm.

Alibaba will in turn invest 4.66 billion yuan (\$693.44 million) for a 49 percent stake in the new subsidiary, and by extension hold more than 14 percent of STO Express, the statement said. Alibaba, in a separate statement, confirmed its investment.

Training to create more RMG women supervisors

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To date, GEAR has trained 144 female workers, 58 of whom are now in supervisory roles. Impact assessment shows that lines led by GEAR-trained females experienced an average increase of 5 percent in efficiency.

The GEAR-promoted female supervisors also saw on an average a 39 percent increase in salary.

After a successful pilot, Better Work is scaling up GEAR to train 700 female operators and their managers in 70 factories to promote career-progression opportunities for women in the garment sector.

Diplomats and representatives from UN agencies, development partners, donors, government bodies, civil society, the private sector, employers' organisations and unions attended the launch event.

"Canada is advancing gender equality worldwide through Canada's Feminist International Assistance Policy," said the high commissioner.

"It is not just about hiring or buying from women. It's about recognising talent, capabilities, and value that is too often disregarded due to gender bias," said Prefontaine.

Although 80 percent of line-operators in the sewing sections of the garment sector are women, 19 out of 20 line-supervisors are male. This means 90 percent of the managerial talent in factories comes from just 20 percent of the workforce.

"Gender equality and gender empowerment was one of the core founding principles of the ILO in 1919," said Tuomo Poutiainen, country director of ILO Bangladesh.

"100 years on and this is still central to our work. But much more needs to be done in advancing gender diversity - not just in the RMG sector but in every sector."

"There is a strong business case to having more females in leadership positions," said Nuzhat Anwar, acting country manager of IFC.

"Through the GEAR programme, we hope to actively work on increasing career-progression opportunities and promotion of women and addressing the gender imbalances in leadership roles in the garment sector."

Italy must look into EU, US concerns over Belt and Road deal: official

REUTERS, Rome

Italy will join China's giant "Belt and Road" initiative only after satisfying itself that US and European Union concerns over the infrastructure plan have no basis, Industry Junior Minister Michele Geraci was quoted as saying on Monday.

Geraci's comments came after a spokesman for the White House's group of national security advisers, Garrett Marquis, on Saturday called the Chinese venture a "vanity project" that Italy should steer clear of.

"Clearly we must make sure that EU and US concerns (over the deal) are unfounded. The framework of the accord would have to be up to U.S. and EU standards," Geraci told Italian daily Il Messaggero, reiterating it was not certain Italy would sign the deal.

Dewan Muhammad Sajid Afzal, a director of Meghna Executive Holdings, launches oil filtration system VITO manufactured in Germany at a press conference in a Dhaka hotel recently.

MEGHNA EXECUTIVE HOLDINGS



Consumer rights law to safeguard tenants

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Apart from real estate and property rental, the DNCRP also seeks to include tailoring, beauty parlour, jewellery, hajj agency, recruiting agency, travel agency, courier service, education, daycare service, recreational centre, laundry, catering service, cooperative society, cable operator and insurance in the consumer rights law.

"We expect that the law would be revised by this year," Laskar said.

Ghulam Rahman, president of the Consumers Association of Bangladesh, says the rights of consumers are violated everywhere.

"There is no doubt about it. So, there is a need to expand the reach of the law. But inclusion of new areas under the jurisdiction of the law will not bring any meaningful result if the DNCRP's workforce and capacity is not increased," he said. "The DNCRP is under-staffed. So, its workforce and capacity should be enhanced so that it can carry out its duty properly."